

Frigorífico Concepción S.A. Announces Consent Solicitation

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Frigorífico Concepción S.A.

Solicitation of Consents relating to Outstanding 7.700% Senior Secured Notes due 2028 (the "2028 Notes")

ASUNCIÓN, Paraguay, Feb. 2, 2024 /PRNewswire/ -- Frigorífico Concepción S.A. (the "**Company**") hereby announces the commencement of its solicitation of consents (the "**Consent Solicitation**") to holders of its 7.700% Senior Secured Notes due 2028 for amendments to certain provisions of the Indenture governing the 2028 Notes, dated as of July 21, 2021 (the "**Indenture**"), among the Company, as Issuer, Frigorífico BFC S.A. (the "**Bolivian Guarantor**"), as Guarantor, The Bank of New York Mellon, as Trustee, Registrar and Paying Agent (the "**Trustee**"), and GLAS Americas LLC, as collateral agent (the "**Collateral Agent**").

The Consent Solicitation is being made on the terms and subject to the conditions contained in the Consent Solicitation Statement dated February 2, 2024 (the "**Consent Solicitation Statement**") prepared by the Company in connection with the Consent Solicitation and is subject to the solicitation and distribution restrictions set out below and as more fully described in the Consent Solicitation Statement. Holders of the 2028 Notes are advised to read carefully the Consent Solicitation Statement for full details of, and information on the procedures for participating in, the Consent Solicitation.

Capitalized terms used but not defined herein have the meanings given to them in the Consent Solicitation Statement.

Series of Notes	CUSIPs and ISINs (144A and Reg S)	Outstanding Aggregate Principal Amount	Consent Payment
7.700% Senior Secured Notes due 2028	358648 AA1; P4R54K AA4 / US358648 AA16; USP4R54KAA49	US\$300,000,000	US\$10.00 per US\$1,000 principal amount of 2028 Notes

The 2028 Notes were issued on July 21, 2021 in an aggregate principal amount of US\$300,000,000. As of the date of the Consent Solicitation Statement, US\$300,000,000 in aggregate principal amount of the 2028 Notes remains outstanding.

The Company intends, subject to market conditions, to make an issuance of a new series of notes, with terms and conditions substantially identical to the 2028 Notes (other than the issue price, interest rate, maturity date, interest payment dates, issue date (which will affect the way certain covenants and definitions are calculated for each series of Notes issued under the Indenture) and other related provisions) (the "**New Notes**"), and together with the 2028 Notes, the "**Notes**") for a principal amount of up to US\$300,000,000, under the Indenture (as amended and supplemented by a supplemental indenture (the "**First Supplemental Indenture**") to give effect to the Proposed Amendments) (the "**Concurrent New Notes Offering**"). The Concurrent New Notes Offering is subject to the effectiveness of the Proposed Amendments and the Additional Amendment not Requiring Consent (as defined below). The New Notes will rank *pari passu* with the 2028 Notes and will be treated as a single class together with the 2028 Notes for all purposes under the Indenture (including, without limitation, with respect to waivers, amendments and all other matters, except as otherwise provided for in the First Supplemental Indenture), provided that if any amendment, waiver or other modification will amend, waive or modify only one series of Notes, only the consent of a majority in aggregate principal amount of the then outstanding Notes of such series so amended, waived or modified will be required. The Concurrent New Notes Offering is being conducted concurrently with the Consent Solicitation and is conditional upon the consummation of the Consent Solicitation. The Company reserves the right to terminate the Consent Solicitation at any time, including but not limited to if it believes that the Concurrent New Notes Offering will not be completed. The 2028 Notes and the New Notes will, subject to the effectiveness of (a) the Amendment to the Bolivian Collateral (as defined below), (b) the Brazilian Fiduciary Assignment

Agreement of Quotas Under Condition Precedent and the Brazilian Fiduciary Assignment Agreement over Surplus of Foreclosure, and (c) the Proposed Amendments, share the following Collateral on a *pari passu* basis:

(i) a first priority Lien over all right, title and interest in, to and under certain real estate property and equipment of the Company located in Paraguay (in the terms and over the same assets the 2028 Notes are secured), (ii) a first priority Lien over the capital stock in the Bolivian Guarantor owned by the Company, Pedro Cassildo Pascutti and Agroganadera Concepción S.A., comprising 100% of the Bolivian Guarantor's outstanding common shares, (iii) a conditional Lien over 100% of BMG Foods Importação e Exportação Ltda.'s quotas, contingent upon the occurrence of the discharge or release (the "**Brazilian Condition Precedent**") of the existing lien under a fiduciary assignment of quotas (the "**Original Fiduciary Assignment of Quotas**") created pursuant to certain senior secured credit agreement entered into and by the Issuer and the lenders parties thereto, and (iv) a first priority Lien over the surplus that may exist after the enforcement of the Original Fiduciary Assignment of Quotas, and, therefore, of the proceeds resulting from such foreclosure that exceed the payment of the obligations secured under the Original Fiduciary Assignment of Quotas. In addition, the Bolivian Guarantor, BMG Foods Importação e Exportação Ltda., a subsidiary of the Company incorporated under the laws of Brazil (the "**Brazilian Guarantor**") and BFC-USA LLC, a subsidiary of the Company incorporated under the laws of Florida, United States, will unconditionally and irrevocably guarantee the 2028 Notes and the New Notes on a general senior basis.

The primary purpose of the Consent Solicitation is to make amendments to the Indenture that would permit the Company to incur the additional indebtedness pursuant to the Concurrent New Notes Offering. In order to conduct the Concurrent New Notes Offering, the Company is seeking to amend (i) the definition of "Initial Notes", to include within such defined term the New Notes, such that the New Notes are included under clause "(a)" of the definition of "Permitted Indebtedness" under Section 1.01 (*Certain Terms Defined*) of the Indenture and consequently permit the Concurrent New Notes Offering), (ii) clause (1) of the definition of "Leverage Ratio" to use "*Net Indebtedness*" as the numerator in the calculation of such ratio and amend Section 3.05(a)(1) (*Limitation on Incurrence of Additional Indebtedness*) of the Indenture, to increase the Leverage Ratio level to 3.50:1.00 for the incurrence of additional Indebtedness thereunder, and (iii) certain other clauses and definitions in the Indenture as explained in the Consent Solicitation Statement under the heading "The Proposed Amendments," to allow the New Notes to have certain different

terms to those of the 2028 Notes (such as issue price, interest rate, maturity date, interest payment dates, the issue date (which will affect the way certain covenants and definitions are calculated for each series of Notes issued under the Indenture) and other related provisions).

Additional ancillary and consequential amendments to the Indenture may be made to give effect to the intent of the Proposed Amendments. Subject to the effectiveness of the Proposed Amendments, the Company intends, under the terms of Section 7.01(d) of the Indenture, to (i) amend the Bolivian Mandate and the Bolivian Share Pledge Agreement (each, as defined in the Indenture) in order to increase the shares of the Bolivian Guarantor included in the Collateral from 51% to 100% of the outstanding shares of the Bolivian Guarantor (the "**Amendment to the Bolivian Collateral**"), and (ii) enter into certain Brazilian fiduciary assignment agreement of quotas subject to the Brazilian Condition Precedent (the "**Brazilian Fiduciary Assignment Agreement of Quotas Under Condition Precedent**") and certain Brazilian fiduciary assignment agreement over surplus of foreclosure (the "**Brazilian Fiduciary Assignment Agreement over Surplus of Foreclosure**") in order to include in the Collateral certain rights to the quotas of the Brazilian Guarantor. In addition, the Bolivian Guarantor, the Brazilian Guarantor and BFC-USA LLC, a subsidiary of the Company incorporated under the laws of Florida, United States, will unconditionally and irrevocably guarantee the 2028 Notes and the New Notes on a general senior basis (all of the amendments listed above, the "**Additional Amendments not Requiring Consent**").

For a complete description of the Proposed Amendments please see Annex I to the Consent Solicitation Statement and Exhibit A thereto. Additional ancillary and consequential amendments to the Indenture may be made to give effect to the intent of the Proposed Amendments and the Additional Amendments not Requiring Consent.

Only holders who are direct participants in DTC on February 1st, 2024 (the "**Record Date**") at 5:00 p.m., New York City time, or their duly designated proxies, will be entitled to submit a consent. Holders who acquire 2028 Notes after the Record Date will not be able to submit a consent. The Company will pay a fee (the "**Consent Payment**") in an amount equal to US\$10.00 for each US\$1,000 of principal amount of 2028 Notes to holders of 2028 Notes whose validly delivered and not validly revoked consent is accepted pursuant to the Consent Solicitation Statement promptly after the Effective Time (as defined below). Holders that do not deliver valid consents, or who revoke consents prior to the Expiration Time of the Consent Solicitation, will not receive the Consent Payment even if the Proposed

Amendments become effective. Holders that deliver valid Consents which are accepted by the Company will not receive a Consent Payment if the Proposed Amendments are not made effective.

The Proposed Amendments and the Additional Amendments not Requiring Consent will become effective when the First Supplemental Indenture, the amendment to the Bolivian Law Documents in order to increase the shares of the Bolivian Guarantor included in the Collateral from 51% to 100% of the outstanding shares of the Bolivian Guarantor, the Brazilian Fiduciary Assignment Agreement of Quotas Under Condition Precedent and the Brazilian Fiduciary Assignment Agreement over Surplus of Foreclosure, and any other amendments to the Transaction Documents as may be necessary to consummate the Proposed Amendments are executed, subject to the satisfaction of all other conditions of the Consent Solicitation. The effectiveness of the Brazilian Fiduciary Assignment Agreement of Quotas Under Condition Precedent is also subject to the satisfaction of the Brazilian Condition Precedent.

Frigorífico Concepción S.A. reserves the right in its sole discretion to reject any and all consents. The Company also reserves the right to waive or modify any term of, or terminate, the Consent Solicitation at any time and in its sole discretion, including but not limited to where it believes that the Concurrent New Notes Offering will not be completed after the consummation of the Consent Solicitation.

The Expiration Time for the Consent Solicitation is 5:00 p.m., New York City time, on February 9, 2024 (as such time may be extended by Frigorífico Concepción S.A. in its sole discretion, the "**Expiration Time**"). The "**Effective Date**" will be such time following the Expiration Time when the First Supplemental Indenture will be executed, subject to the satisfaction of the conditions precedent. The Effective Date is expected to occur within approximately four business days after the Expiration Time.

This announcement is for informational purposes only and is not a solicitation of consents from any holder of 2028 Notes. The solicitation of consents of holders is only being made pursuant to the Consent Solicitation Statement. Holders of 2028 Notes should read the Consent Solicitation Statement carefully prior to making any decision with respect to providing its consent because it contains important information.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the 2028 Notes or the New Notes or any other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which, or to any person to whom, such an offer, solicitation or sale is unlawful. Any offers of the New Notes will be made only by means of a private offering memorandum.

The Company will make (or cause to be made) all announcements regarding the Consent Solicitation by press release in accordance with applicable law.

BofA Securities, Inc. and J.P. Morgan Securities LLC are the Solicitation Agents in connection with the Consent Solicitation. Global Bondholder Services Corporation is the Information and Tabulation Agent in connection with the Consent Solicitation.

The Consent Solicitation Statement will be available from the Information and Tabulation Agent. The Information and Tabulation Agent for the Consent Solicitation is:

Global Bondholder Services Corporation

65 Broadway – Suite 404

New York, New York 10006

Attn: Corporate Actions

Banks and Brokers call: +1 212 430-3774

Toll free: +1 855-654-2014

By facsimile:

(For Eligible Institutions only):

+1 212 430-3775/3779

Confirmation:

+1 212 430-3774

Email: **contact@gbsc-usa.com**

Any questions regarding the terms of the Consent Solicitation should be directed to the Solicitation Agents or the Information and Tabulation Agent at their respective addresses and telephone numbers set forth on this communication. If you have any questions about how to deliver a consent in the Consent Solicitation, you should contact the Information

and Tabulation Agent. Requests for additional copies of the Consent Solicitation Statement or any other related documents may also be directed to the Information and Tabulation Agent.

The Solicitation Agents for the Consent Solicitation are:

BofA Securities, Inc.	J.P. Morgan Securities LLC
One Bryant Park	383 Madison Avenue
New York, New York, 10036	New York, New York 10179
Attention: Liability Management	United States
Collect: +1 (646) 855-8988	Attention: Latin America Debt Capital Markets
Toll Free: +1 (888) 292-0070	Collect: +1 (212) 834-7279
	Toll Free: +1 (866) 846-2874

Important Notice

NONE OF THE SOLICITATION AGENTS, THE TRUSTEE, THE COLLATERAL AGENT OR THE INFORMATION AND TABULATION AGENT, OR ANY OF THEIR RESPECTIVE DIRECTORS, EMPLOYEES, AFFILIATES, AGENTS OR REPRESENTATIVES MAKES ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD DELIVER CONSENTS TO THE PROPOSED AMENDMENTS PURSUANT TO THE CONSENT SOLICITATION, AND NO ONE HAS BEEN AUTHORIZED BY ANY OF THEM TO MAKE SUCH A RECOMMENDATION. EACH HOLDER MUST MAKE ITS OWN DECISION AS TO WHETHER TO GIVE A CONSENT.

This announcement does not constitute an offer to sell or a solicitation of an offer to buy securities, and there shall be no sale of securities in any jurisdiction in which any offer, solicitation or sale would be unlawful prior to registration or qualification of such securities under the securities laws of any such jurisdiction. This announcement is not an offer for sale of any securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Frigorífico Concepción S.A. has not registered and does not intend to register any portion of any offering in the United States or to conduct a public offering of any securities in the United States.

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